PERAC

M E M O R A N D U M

TO: Belmont Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: December 12, 2016

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 and January 1 of each fiscal year. The schedule is effective in FY17 (since the amount under the prior schedule was maintained in FY17) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.75% to 7.50% and the adoption of a fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

JEC/jrl
P:\actuaria\APPROP\Approp17\belmont approval.docx

Enc.

Funding Schedule 3

Fully funded by June 30, 2029, change in investment return assumption to 7.50% and update mortality assumption, appropriations for Fiscal Year 2017 through Fiscal Year 2019 from Funding Schedule in January 1, 2014 Actuarial Valuation.

(1) Fiscal Year Ended June 30	(2) Employer Normal Cost	(3) Amortization of 2002 ERI Liability	(4) Amortization of 2003 ERI Liability	(5) Amortization of Remaining Unfunded Liability	(6) Total Plan Cost: (2) + (3) + (4) + (5)	(7) Total Unfunded Actuarial Accrued Liability at Beginning of Fiscal Year	(8) Percent Increase in Total Cost
2017	$1,701,799	23,032	76,706	$6,625,652	$8,427,189	$77,423,117	
2018	1,758,724	23,032	80,158	7,152,797	9,014,711	76,129,597	6.97%
2019	1,817,543	-	83,765	7,741,885	9,643,193	74,178,892	6.97%
2020	1,878,318	-	87,534	8,106,462	10,072,315	71,480,470	4.45%
2021	1,941,113	-	91,474	8,487,946	10,520,533	68,190,788	4.45%
2022	2,005,995	-	95,591	8,887,111	10,988,697	64,247,473	4.45%
2023	2,073,033	-	99,892	9,304,769	11,477,694	59,582,649	4.45%
2024	2,142,299	-	104,386	9,741,766	11,988,451	54,122,486	4.45%
2025	2,213,866	-	109,085	10,198,987	12,521,937	47,786,711	4.45%
2026	2,287,810	-	-	10,791,353	13,079,163	40,488,087	4.45%
2027	2,364,210	-	-	11,296,976	13,661,186	32,131,847	4.45%
2028	2,443,147	-	-	11,825,962	14,269,109	22,615,083	4.45%
2029	2,524,704	-	-	12,041,853	14,566,557	11,826,091	2.08%
2030	2,608,969	-	-	-	2,608,969	-	-82.09%

Notes: Recommended contributions are assumed to be paid in two equal installments on July 1 and December 31.
  Assumes contribution of budgeted amount for fiscal years 2017, 2018, and 2019.
  Item (2) reflects 3.0% growth in payroll as well as a 0.15% adjustment to total normal cost to reflect the effects of mortality improvement due to generational mortality assumption.
  Projected normal cost does not reflect the future impact of pension reform for future hires.
  Item (4) increases at 4.50%.

�ý Segal Consulting